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Limited, up to a total face value of Rs. 2,000 lakhs (Rupees two thousand lakhs only), exclusive of such debentures as the Bank may from time to time redeem such debentures being issued for periods not exceeding in any case 25 years from the date of issue and bearing interest at a rate not exceeding 5 per cent per annum ".

The Resolution was put and carried.

V.—DISCUSSION ON THE GOVERNOR'S ADDRESS—*cont.*

* THE HON. SRI R. VENKATARAMAN : Mr. Chairman, Sir, though a large number of speakers during this debate have spoken in the official language, I decided to reply in my usual way in English out of deference to the hon. the Leader of the Opposition who always speaks in that language in this House. It is parliamentary etiquette to answer questions in the same language in which the questions are put. Likewise I thought it was my parliamentary duty to reply to the debate in the language adopted by the hon. the Leader of the Opposition.

Sir, though the Legislative Council is a continuous body, the biennial elections to this House this time happened to synchronise with the General Elections to the Legislative Assembly. A large number of our friends who were Members of this House had left us and it is my duty on this occasion to recall with pleasure the intimate association that we had with those Members who no longer continue to sit in this House. I would more particularly refer to the absence of one or two hon. Members who had made very valuable contributions to the debates in this House. The House will surely miss the eminent jurist Sri M. Patanjali Sastri who during the brief term of his membership here in this House contributed to the deliberations in this House and brought his superior knowledge of law and legal systems to bear on the points raised for consideration before the House. Equally the House will recall with pleasure the association of our elder statesman Sri P. T. Rajan who with his long experience of over 25 years in the legislatures had contributed to the deliberations in this House and always helped to solve many of the difficult and troublesome problems that arose for consideration here.

Among those who have been re-elected, I should offer my felicitations to, and mention in particular, Dr. T. V. Sivanandam 3-30 p.m. and Sri K. Balasubramanya Ayyar. Dr. T. V. Sivanandam, as you all know, is a very studious Member of this House and his presence back in this House is most welcome to all of us. So far as Sri Balasubramanya Ayyar is concerned, I cannot do better than repeat what I said in the last session of this Legislative Council. He contributed to the shaping of the legislation in this House in such an abundant measure that I felt that I would have been handicapped without the legal assistance that he so freely rendered to the Government and to me. I also said on that

occasion that the Government had received from Sri Balasubramanya Ayyar more valuable legal advice, at no cost to us, than we had done from our own Legal Department. We are happy to have him back with us.

The House has been enriched by an addition of a large number of talented new Members. We should pay our tribute to the Governor for having nominated the former Chief Justice of Madras, Sri P. V. Rajamannar, as a Member of this House. His presence in this House will be of immense value to the House and to the Government. He is an expert in several fields—not only in the field of law but also in the field of art and literature. He is himself a poet in Telugu. We will greatly appreciate his very valuable contribution to the House and his useful suggestions to the Government.

We have also new Members from other walks of life, notably from the field of art and culture. We have now with us Sri Ramachandran who is well-known in the field of dramatic art. The House has already another talented Member representing art and Members may recall with plaesure the occasion when the House warmly cheered the Member. This is Srimathi K. B. Sundarambal who is well-know in South India as an artiste and a person of eminence and culture.

When I start the reply to this debate, I find that my task has been rendered quite easy and simple by the excellent introduction of the Motion of Thanks made by my esteemed colleague Sri Rajaram Naidu. Himself a former Minister, a leader of the Congress organization for several years and an expert on panchayat affairs, he dealt with the Address of the Governor in an exhaustive manner and has left practically very little for me to add. I am sure people would have noticed that his experience in the field of panchayat administration is not only very large but very rich and that we can rely on him as an expert on questions relating to that administration. It was very ably seconded by Sri Muthiah who comes to this House after ten years of experience in the Madras Legislative Assembly. The Members of this House will appreciate that an occasional interchange of Members from this House to the other and *vice versa* will help to promote better relations between the two Chambers and I would make this suggestion to the Chief Minister also for his consideration that such a transfer would be useful and that such a transfer would not become a matter of necessity but a matter of choice.

Sir, the hon. the Leader of the Opposition rightly pointed out that the debate on the Governor's Address affords opportunity to discuss the board aspects of the Government's policy. It is intended to give opportunity to the Members to comment on the policy which the Government propose to pursue not only in the year ahead but in the term of office before them. In that sense the Governor's Address has naturally omitted many questions of immediate importance or reference to the grievances of the people

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or problems of day-to-day occurrence and dealt only in a very broad outline with the policy of the Government. All these together with the review of the economic condition of the State as well as the problems that confront the State as also a detailed statement of the progress made by the respective departments together with the programme and policy of the respective departments for the year ahead will certainly from part of the Budget address which my esteemed Colleague, the Finance Minister will be making shortly to this and to the other House. Suffice it for me now to point out that the Governor's Address has put in a nutshell what policy the Government propose to follow in the coming year as well as in the next five years in these words. He stated that "the proper implementation of the Five-Year Plan is undoubtedly the major pre-occupaion of the Government". That being the task before the Government, suggestions regarding the pace of development, the resources required for it and also modifications with regard to the Plan schemes would be greatly welcomed and appreciated by the Government.

Nevertheless, hon. Members have dealt with a wide variety of subjects and I will in the short time before me try to meet as many of the points raised as is possible. If by any mischance I do not deal with one or two aspects raised by certain Members, it is not out of any discourtesy to the Member concerned but because they are intended to be dealt with either by the Finance Minister later in the course of his address or they are matters which could be dealt with administratively.

I was particularly pleased with the reverential reference which the hon. the Leader of the Opposition made to the office of the Governor as also to the person. Statements have been made in this House and elsewhere which might hurt either the dignity of the office or the incumbent. I am very glad that the hon. the Leader of the Opposition put the matter in the proper perspective and demonstrated that the vast majority of the people in this State and the intellectuals and the University which he so worthily represents do have the highest regard both for the person and the office of the Governor. I would endorse, on behalf of the Government and the Party which I represent, every syllable of what the hon. the Leader of the Opposition has said. Sir, it is said that the office of the Governor is unnecessary and superfluous. Newcomers both to the political and to the Legislative field may not be familar with all the history and all the detailed consideration of all aspects regarding the office of the Governor made by the Constituent Assembly when this Constitution was framed. In any parliamentary system of Government it is necessary to have a Head of State. He should be the Executive who will appoint Ministries, accept resignations, and also undertake to continue the administration of the State in the event of a breakdown of the Constitution. Sir, it will be difficult to conceive of a system of 3-40
parliamentary democracy without an office of that kind—call it p.m.

Governor, head of the State, or what you like. I would ask those who say that there is no need for the office of Governor to tell us what substitute they would suggest in the place of that office to carry out all the functions which have been detailed under the Constitution and all the functions which have been entrusted to the high office of the Governor not only for maintaining continuity in State administration but also for protecting the interests of the minorities which is one of the very important functions which have been detailed to the Governor of a State. I can understand people if they say that the parliamentary system of Government with its Cabinet is unsuited to this country. There are people in other parts of the globe who follow a different system of political democracy. The Presidential system of Government which prevails in the United States is an alternative, and it may be suggested by people that we can have a different form of Government from that of the Cabinet form of Government. But even there I should draw the attention of hon. Members to the fact that students of political science who have watched the growth of these two systems of Government have no hesitation in making the choice in favour of the Cabinet system of Government rather than the Presidential form. But in any event if we want the Governor of a State to be elected, we cannot have an elected Chief Minister and an elected Governor. It will lead to conflicts between two elected heads. Either we have an elected Governor in which case we will have a system of Presidential form of Government, where the President will choose his own executive and carry on the administration of the Government or we should have a Cabinet form of Government in which the Cabinet will be responsible to the Legislature and the continuity of the office of the head of the State will be there even if he be a titular Governor.

* SRI K. ANBAZHAGAN : May I interrupt. 'Sir, அமைச்சரவர்கள் கவர்னர் அவர்களும் முதலமைச்சர் அவர்களும் இருவரும் தேர்ந்தெடுக்கப் பட்டவர்களாக இருப்பார்களானல் ஒருவருக்கு ஒருவர் முரண்பாடு எழும் என்ற கருத்தை அமைச்சரவர்கள் எடுத்துச் சொல்லுகிருர்கள். அவர்களைப் பணிவன்போடு கேட்டுக்கொள்கிறேன், இந்தியக் குடியரசின் தலைவரும் முதலமைச்சரும் தேர்ந்தெடுக்கப்பட்டவர்களாக இருந்தாங்கூட எந்த வகையில் ஒற்றுமையான முறையில் பணியாற்றுகிருர்கள் என்பதை விளக்க வேண்டும் என்று

THE HON. SRI R. VENKATARAMAN : The hon. Member is aware of the two forms of elections. The election of the President is by the method of indirect election, in which the Members of the legislatures and Parliament choose. The election of the Prime Minister, as we all know, is by the adult franchise where the people elect the Prime Minister. If it is suggested, like the old French Constitution, that the head of the State should be elected by the Members of the Legislature—that is the Assembly and the Council—and that he should function as the Governor of a State, it is understandable. But I think—I may be wrong and I wish to be wrong—that the objection raised by certain parties in the State and the country is to the office of the Governor. What I am trying to emphasise to-day before the House and for the respectful

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consideration of the Members and the country is that the office is necessary and not how he should be elected or how he should be chosen.

The second point which has been dealt with at some length related to the economic condition in this country. Charges have been laid on the Government that they have not done anything at all for maintaining the price line, that the prices are soaring, that the condition of the people is deteriorating day by day, and that the Governor has made a great mistake or the Government have made a great mistake in not making a reference whatsoever to this very vital question that affects the people of this State. I would deal with this question from two aspects. One is this. Is it factually correct that prices have been rising or soaring during the period when so much was made of them? All this cry of soaring prices was raised only during last year—the year of elections. Previously people have commented do doubt on the tendency or the trend of a rise in prices. But the greatest emphasis was laid during the election campaign saying that the prices had risen far beyond the capacity of the average citizen to meet and a great deal of propaganda was carried on against the Government on this one issue. So far as the right of political parties to seize any point to criticise the Government, and more so in an election year, is concerned, neither I nor anybody can have any objection. It is part of the political ethics of all democratic countries to seize any question which is advantageous to them and hold it up against the administration for the purpose of persuading the electorate to vote in their favour. But if at the end of the elections we delude ourselves or we try to deceive ourselves that what we have preached for certain political purposes is a fact and that therefore we are really suffering on account of these circumstances, it is the duty of the Government to correct the impression. During the last two years I have got statistics of the level of prices that have prevailed in the whole of India as well as in the State. The wholesale price or the index number for all-India of food articles in 1960–61 was 120. On the 3rd March 1962, the index price of food articles for the whole of India is 118·5. Apart from there being a phenomenal rise in the level of prices during the period, the Government have succeeded, if Government could claim any credit for it at all, in holding the prices even and not allowing them to go very far and very high. These are not stitistics prepared by us, but prepared by an independent authority, namely, the Eastern Economist. We have also the figures for all commodities for 1960–61 and for the year 1962. The index number of all commodities for the period 1960–61 was 124·8 based on the year 1952–53, and the index number for the period ending 31st March 1962 of all commodities is 123—actually a drop of one point. I do not claim that the drop of one point is anything phenomenal, but all I am trying to say is that the price level has not risen and the price level has been steady.

3-50 p.m. This relates to wholesale prices. People may ask: Of what avail is it to the consumer if the wholesale prices have remained at a particular level, if the prices of commodities which enter into the consumption are not held at a proper level, if the prices of consumer goods at retail level go up higher and higher? Sir, that also does not seem to be sustained. I have the index prices for the working class computed on the basis of the articles that go into a family budget taking into account proper weightage given for consumption of rice, oil, cloth, fuel, firewood and a number of articles, as many as 82 items, and in this you will find that the index number of consumer price for working classes for the year 1961 was 173 against the base year figures of 100 in the year 1939. The corresponding figure for February 1962—the figures for March are not yet available—is 175. The increase of two points is based on the 1939 price level. I wish also to draw the attention of the hon. Members to the index price in Madras State which is based on an earlier period, namely, pre-war year of 1936. With the pre-war base as 100 for the year 1936, the consumer index in 1961, so far as Madras is concerned, is 478. For March 1962 the index figure is 480, again an increase of hardly two points based on the 1936 index price. This is the state of affairs and I, therefore, wish to disabuse the minds of both the legislators and the general public that the cry of phenomenal rise in prices and soaring prices is nothing more than a political stunt adopted and rightfully adopted by all political parties for the purpose of discrediting the Government. But if one should think that it represents the true state of affairs, I humbly beg to submit that it is not true.

* SRI K. ANBAZHAGAN : தலைவர் அவர்களே, அமைச்சர் அவர்கள், விலைவாசி ஏற்றம் என்று கூறுவது உண்மைக்குப் புறம்பானது என்பதாகப் பல காரணங்களைக் காட்டிச் சொன்னார்கள். அப்படியென்றால் மத்திய சர்க்கார் ஊழியர்களுக்கு இப்போது டியர்னஸ் அலவன்ஸ் உயர்த்துவதற்கான காரணம் என்ன? விலைவாசி உயர்வு இல்லையென்றால், அவர்களுக்கு இந்த ஊதிய உயர்வுக்கு வேறு எது காரணம் என்பதை அறிய விரும்புகிறேன்.

THE HON. SRI R. VENKATARAMAN : I shall not deviate from the course of my speech. I shall continue because I do not want to miss the trend of my thoughts.

Nor, is this phenomenon of increase in prices anything peculiar to this country? It is a phenomenon prevalent all over the world. I have obtained statistics of relative cost of living between the period 1955 and 1960 in other countries, countries considered to be advanced and held up before us as models to emulate. With the base year 1949, the cost of living index for working classes which is comparable to the figures I have been giving, was 135 in the United Kingdom, in the year 1955. It was 152 in the year 1960. In the United States, it was 112 in 1955 and 123 in the year 1960. In Canada it was 116 in the year 1955 and 127 in the year 1960. Sir, all this only go to show that in the recent tempo of economic activity which goes on in the world, a certain trend towards increase in prices, is inevitable. This arises because between the period of investment which takes place and the period

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when the investments yield results, there is an inevitable time lag during which the monetary investments exert pressure on the available goods and services and thereby produce a temporary rise in prices. You are aware, Sir, that during the last ten years we have invested something like Rs. 8,000 crores. When we say we have invested Rs. 8,000 crores, we have injected all that money for circulation within this country. We have paid them as wages. We have given them as houses. We have given them in the shape of factories. We have given all this to the people in various forms and shapes. Not all the projects which have been started during this period have started to yield results. There is, therefore, the inevitable time lag between the investment and the yield out of those investments.

Sir, I may take one simple instance to clarify the point I am making. If you want a textile mill, it would cost you Rs. 45 lakhs. In the first year we spend Rs. 25 lakhs but not a yard of yarn or cloth is produced. In the second year we again invest Rs. 20 lakhs and it is only at the end of two years that the investment of Rs. 45 lakhs yields commodities and services in the shape of yarn and cloth. Therefore, during the interval, during the period of investment and the period when these plans mature and fructify, there is added money circulation in the country to the tune of the investments made in the whole country which exerts its inevitable pressure on available goods and services and, therefore, gives an upward trend to prices. As the plans mature, as the textile mill goes into production, as the new irrigation projects come to fruition, when the great industrial projects, the steel mills, the fertilizer plants and all of them go into production, there will be a large net addition to the volume of goods and services available in the country and that would be able to absorb the increased investments of money supply that has happened during the intermediate period. Therefore it is, I would beg of the House, to have a little more patience to wait till the various projects which have been initiated bear fruit and then ask the question why after these things have already yielded results, borne fruit, come to fruition, still there is an upward trend in the price level. Therefore, Sir, not only do I deny that there has been any phenomenal rise in the cost of living index in the last two-year period, not only do I deny that there has been great increase in the All-India figures of wholesale prices, but as I said and quoted figures, that itself is proof that some of the projects which we have already initiated have started yielding results and the prices now appear to hold to a level instead of going on increasing as they have been doing during the First and the Second Plan periods. To the question put by the hon. Member Sri Anbazhagan, I want to answer that the increase in the index number for consumer articles which I quoted relates to the period during which the propaganda was the heaviest and there is no doubt, as I have said, that during the earlier period, the First and Second Plan periods, there has been a continuous rise at the rate of 2 per cent

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per annum in the cost of living. And that two per cent compares 4-00 p.m. with the two per cent increase in the cost of living index, which is witnessed in other parts of the globe, mostly in the United States and the United Kingdom. If the Government of India have granted an increase in the dearness allowance to their employees, it is given on the basis of the previous increase and not on the basis of the increase which occured during that period when the propaganda became the highest. Sir, I do not wish to dilate more on this subject. I shall merely leave it for the consideration of hon. Members of this House whether in the interests of the future progress of this country we should put up with inconvenience of having a small increase in prices or we should, on the other hand, stop all other programmes, stop all investments, and stop all other plans and thereby reduce the available money supply in the country and artificially bring down the prices. There are only two ways in which the price level can be brought down. There are only two ways which are known to economists. There may be other methods known to others. However, we must adopt the known two methods. The one way in which the price level can be brought down is by the exercise of a rigorous system of control, in which every aspect of the production, distribution, and everything is controlled—as it happens in some of the countries with controlled economy—or alternatively we must reduce the investment, reduce the money supply, and reduce the plans and cut down all the various schemes so that people do not have the wherewithal to buy. I would also like to ask hon. Members whether they think that an era of low prices is by itself an index of prosperity for society. My esteemed friend Sri Balasubramanya Ayyar almost pathetically asked, 'Are we ever going to get those days when we got eight measures of rice for a rupee'. I can tell him immediately, "Never". After every world war a country adjusts itself to the new levels and all over the world people have adjusted themselves to such new levels. But I want to request Sri Balasubramanya Ayyar to project his mind thirty years back and see what the conditions were at that time. I am myself a land-holder of Tanjore district, and I have sold a bag of paddy for Rs. 1-8-0. That had been the lot of many land-owners in Tanjore district during 1930–32 when the world was in the grip of an unheard of depression. Prices had toppled down against all calculations. Actually paddy in Tanjore district was selling at anything between Rs. 1–8–0 and Rs. 2 per bag. At that time I am quite sure there were many people who were not able to pay that price. At that time I know that one-third of the population of Madras were living on ragi and cholam and other coarse grains. At that time I know that the landholders had to sell away their lands or heavily mortgage them for the purpose of paying the kist. According to the land revenue settlement, kist was assessed at the notional price of Rs. 1–13–6 per maund. But the price prevailing was Rs. 1–8–0, and all the grain produced was not enough to meet the kist, which they had to pay. But for the very salutary legislation for debt relief, which was brought in some years

later by the Congress administration, many, many landholders in Tanjore district would have been ruined. It is not always good to have an era of completely low prices. Students of economics who have studied the Keynes theory would realise that a period of low prices is a period of low industrial activity and trade, and, therefore, periods of low employment and periods of increasing unemployment. Therefore, while it may have certain advantages to certain sections of society, it would be wrong to imagine and it would be wrong to preach to the people that an era in which there are low prices is in fact an ideal state of affairs. It would not be. In fact it is only the period in which there is hope that any industry that one is engaged in would prove profitable, that there is scope for an expanding market. That will give an impetus to industrially develop. Unless we give that impetus to industrial development, employment will go down. If employment goes down, there will be far greater misery consequent on unemployment and loss of employment than on high prices. If I have to make an unfortunate choice—which I hope it will not be necessary for this country to make—between a period of slow rising prices and increasing employment or a period of low prices with increasing unemployment, I will have absolutely no hesitation in choosing the former. Therefore it is I submit for the consideration of this House whether all the charge that is now being laid against the Government, as if they were leading this country to some destruction or ruin on account of the mild increase that takes place from year to year in the price level, is justified.

Sir, one other aspect I would like to touch on this occasion is the reference which the Governor has made to the conduct of the elections. I witnessed in this House a little more of warmth in dealing with this subject than we are usually accustomed to in the past. I heard charges and counter-charges of malpractices committed by members of the ruling party, the Government, the Opposition, and in fact by all those who had ever had to stand for elections. Sir, by nature I believe every man is true. If I did it, I find myself in a position of not being able to judge what is right. Almost every Member who spoke, and almost every politician who spoke, has stated, 'I have not spent much; but others have spent'. (Laughter.) Sir, I believe every person. If everybody says that he has not spent much, then the charge that others have spent much must be false. So, nobody has spent large sums of money on elections. Alternatively, they say that there have been malpractices by all the other parties except themselves. I am not making any exception of the Congress party. All of us said and the Congress party also says that others have resorted to malpractices, indulged in violence, and so on. In fact, they have already briefed me with a sheaf of cuttings from newspapers of the malpractices which have been committed by other parties. It would be an idle waste of time to go into this question. Hardly fifteen years have elapsed since we introduced adult franchise in this country, and the way in which the elections

have been conducted is a matter for great credit to all of us. We cannot expect to reach those very high levels of political ethics reached by countries which have had the electoral system for over a thousand years. The hon. the Leader of the Opposition mentioned the Presidential election in the United States. I had the
4-10 p.m. privilege of watching two such Presidential elections, and I cannot say that money is not spent by either party. Of course, they have various ways of spending. They have a Citizens Committee, Women's Welfare Committee and so on to spend on elections. They may not have offended the law. But there is no denying the fact that large sums are spent now-a-days in the presidential elections. But we need not follow the bad precedent of certain countries. We may follow better precedents of certain others. I have had the privilege of watching elections in the United Kingdom and I must say that the level of integrity and electioneering campaign maintained by the parties in the United Kingdom are an object lesson for many people to study, observe and follow. Let us have that fundamental ideal and let us strive towards that. Let us forget what happened as things which are inevitable in a nascent democracy. Let us draw lessons from what has happened to make sure that these mistakes would not be repeated at the next elections. I have a feeling that the House may meet about six months after the elections. Then many of the people would have forgotten all the ire and perhaps they would have been in a much better and sweeter mood in the Legislature than what they are immediately after the elections.

Sir, I must endorse on this occasion the tribute paid by the Government through the Governor both to the services and to the people for the orderly conduct of the elections even though there might have been stray cases of lapses here and there.

Sir, the next point which I would like to touch upon is the advantage of having a two-Party system for the successful functioning of a democracy. As I rise to answer on behalf of the Government some of the criticisms that have been levelled against the Government by Groups in the Opposition, I find myself in a very unenviable position of appearing to contradict myself. On the one side, one group of Members of the Opposition are against any form of controls, vigorous restrictions. They are against any plans in the sense which call for greater investment and accelerating the speed, and also against forcing the pace of the country. Then there is another Group in the House which says that investments are not enough, that services are not enough, that industrial production is not enough, that the Plan should be something of the order of a thousand crores of rupees for Madras and so on. I plead with one that it is necessary that in order to increase the standard of life of the people, we have to accelerate the pace of development and growth in this country and that, therefore, it is necessary to have a plan of the kind which we have placed before you. I resist, on the other hand, the urge from another Group which says that we must increase the tempo, and spend more than

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this—not Rs. 291 crores but Rs. 1,000 crores, and that we should nationalize industries, take over various things, and then follow a policy of radical alteration in the orderly development. Sir, in a two-Party system of Government the Government have always to answer only one type of this criticism. If it is the Conservative Government, it meets the criticism of the Left. If it is a Labour Party Government or a Socialist Government, it meets only criticism of the Right. But here in this country, we have to face the criticism of both Right and Left. Neither of them, I am afraid, is right. It is only in this light that I find a great deal of difficulty in answering some of the points raised. For instance, my esteemed Friend Sri Anbazhagan said that we must nationalize the textile mills, the cinemas, the buses, and so on. I presumed that when he said that we should nationalize these institutions he meant that we should resort to nationalization according to the Constitution of this country. And the Constitution of this country envisages payment of reasonable compensation for taking over these enterprises. If you take only the textile mills, there are about 136 of them in the State. They employ about 127,000 persons. The approximate investment thereon would be of the order of Rs. 200 crores. If we have to nationalize the textile mills which is only one of the many suggestions which the hon. Member has made, we will have to find Rs. 200 crores for this purpose unless he believes that he can nationalize without payment of compensation. Now, if he assumes that he still wants to nationalize after paying these Rs. 200 crores, may I ask of what advantage it is to the common man in this State? Will it add to the employment of two more additional persons? One hundred and twenty-seven thousand workers who are now empoyed in the textile mills will continue to be employed in the textile mills. On the other hand, allow me not Rs. 200 crores but Rs. 20 crores; Iwould upto up industries which will give employment for 20,000 people. Which does the country want? Does it want that these meagre available resources should be utilized for the purpose of increasing the employment potential for the greater economic development of this country, or are we going to wreak our vengeance on those who are carrying on certain industries and take them over for the mere fancy of nationalization? It may be said that if we nationalize, we will get the profit which goes to the private man. No doubt, we will. But then at what cost? That profit by itself will not help to start the industries which this investment of Rs. 200 crores will enable you to. That is why the Government of India, whenever they think of nationalization, think of nationalizing not the existing institutions but putting up institutions like the Steel Plants, the Neiveli Thermal Plant and the Surgical Instruments Plant, adding to the new employment potential in the country rather than substituting one by the other. Therefore it is that this Government are unable to accept the very considered advice tendered by the hon. Member and his Group to nationalize the existing institutions.

What I said about the textile industry applies equally to the transport. To-day if I want to nationalize transport, I would have to spend Rs. 35 crores. If you give me Rs. 35 crores, I will fulfil my dream of running only air conditioned buses all over the State instead of taking over rickety, old junk which is being run by certain operators. I said the principle was the same. Therefore, it is not in the interests of the State itself, and it is not in the interests of our people themselves to urge a policy of nationalization of existing services and existing industries. It would be to the advantage of the country to resort to newer investment in wider field, increasing employment potential and opportunity for the welfare of the people.

Sir, I shall now briefly touch on only one or two points which have been raised during the course of the debate. I am afraid
4-20 p.m. I have taken an unconscionably long time which I have never done before. I carve, Mr. Chairman, your indulgence for this.

The first point is that raised by the hon. Member Sri Ponnuswami Chettiar. He said that it was necessary to have a coke oven plant in this State. I may draw the attention of the hon. Member to the fact that the Madras Government had included in the Draft of the Third Five-Year Plan a scheme for a coke oven plant for this State. But, unfortunately, owing to the non-availability of that high grade coal which is required for coking, the plant could not be given to this State. Nevertheless, I want to assure him and the House that the Government have not relaxed their efforts and they would try their best to have this plant established as early as possible.

Sir, he also mentioned that there were a large number of industrialists who wanted to start industries but were unable to do so for want of technical guidance and help. Sir, the Madras Government are contemplating the establishment of an industrial advisory service, an information bureau which will give them technical help and advice with regard to the capacity available in various industries, the machinery required for them, the raw materials that will have to be obtained and the problems that will have to be faced in the establishment of industries. We are on the look out for competent men who can give this advice and I hope in the near future the Madras Industrial Information would be inaugurated.

Sir, the hon. Member Sri Srinivasavaradan dealt with a number of points. But I want to pay my tribute to him for having laid emphasis on the integration of the country. As an academic man who has devoted his whole career to the cause of education of the students, he has rightly emphasised that the ideal of the nation and the national effort should come before all other considerations. May he live long and continue to do that service!

Then, Sir, my hon. Friend Sri S. K. Sambandhan dealt with a number of points. He thought that the administrative machinery had become inefficient. I do not know the data from

which he drew this inference. If he thinks that the administrative services have expanded, I say they have expanded only because of the expanding services that the State has to render to the people. If you take only the industries department for illustration, the industries department ten years ago was only negative rubber stamp. Today it is the friend, guide and adviser for the starting of new industries. It serves the needs of the large, medium and small-scale industries. So, expansion of this kind is inevitable with the increased services that the Government are undertaking. At the same time, I want to assure the House that I do not look upon it as a criticism but as a caution that the Government should always be watchful to see that the Parkinson's law does not begin to operate.

Then, he referred to the pool price of coal, that is, he pleaded that there should be a national price for the whole country. The Government of Madras had taken up the question with the National Development Council over several years now and I regret we have not been able to persuade the other States to agree to this policy. The difficulty which the other States have is understandable though we are affected by it. Certain industries have developed in certain areas and their economies are based on the supply of coal at a particular price. It would be hard on them to change the basis on which industries have been started and throw them out of gear which might possibly lead to the closure of establishment and large scale unemployment. Therefore, though we are a little unhappy that we are a little adversely affected, we are able to see the other side and we shall try to do something in this behalf. But I may mention in this connection that the Government of India have appreciated this position and have come forward to subsidise the extra cost of freight which has to be paid for transport of coal by sea and to that extent we are thankful to them.

Yarn is a matter of great interest to my hon. Friend Sri Sambandhan. I shall give him a cheering news. I propose to convene a conference of the handloom interest and the mill owners at Coimbatore on the 30th of this month for the purpose of exploring possibilities of arriving at a settlement with regard to prices as well as supply of yard to the handloom weavers. My hon. Friend 4·30 p.m. will recall that a similar conference was convened by me in June 1960 and it yielded fairly satisfactory results for at least some time. But so long as we do not have the power—nor are we prepared to assume to ourselves powers of control of prices and distribution—we will have to only come to mutual agreements and be content with agreements of this kind brought about by mutual negotiation and settlement.

Then, Sir, the hon. the Leader of the Opposition in his usual elegant way touched on a number of subjects. So far as our plan is concerned, we have been allotted Rs. 291 crores out of the Rs. 340 crores. This works out roughly to eight per cent. Our population ratio is only 7·8 per cent. Therefore, I would say that so far as this State sector of the Plan is concerned, we have not been

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dealt with unfairly. So far as the Central Sector is concerned, the Government of India have allocated a number of major items of their industries to this State. The Neyveli project in this plan period would call for an investment of Rs. 88 crores, the raw film factory Rs. 5·5 crores, the teleprinter factory Rs. 1·5 crores, the surgical instruments factory Rs. 5 crores, the Tuticorin harbour Rs. 10 crores, the Madras harbour extension Rs. 7 crores, the Madras-Villlupuram railway Rs. 4.27 crores, Salem-Bangalore rail way line Rs. 8 crores, Virudhunagar-Manamadurai line Rs. 2.5 crores, heavy electricals Rs. 15 crores, the Avadi Tank factory calls for a sizable sum. It being a defence establishment we are not able to give the actual figures of investment. I am mentioning all this to show that so far as the State and its relation with the Central Government is concerned, it has been one of the happiest. It is not as if we do not have our differences on many questions. It is not as if we always accept what they say. By and large our relations have been both good and cordial and our share has been fair and reasonable.

Sri K. ANBAZHAGAN : May I know the percentage of the Central share?

The Hon. Sri R. VENKATARAMAN : Rs. 180 crores is invested out of the central sector allotment of somewhere near Rs. 2,500 crores. There are other projects also which I thought I need not retail here. Virudhunagar remodelling Rs. 27 lakhs, Madurai-Tiruchirappalli improvement to signalling Rs. 22 lakhs, the Central Station remodelling Rs. 23 lakhs, Jalarpet Rs. 55 lakhs and so on. It is impossible for any one to sit down and take account of all the Central Government investment. If one were to do it, one may have to sit at it for nearly a year poring into every one of the items of Central Government expenditure in each of their departments, like Health, Railways, Mines, Fuel, Oil and so on. All that I can say is that our share has been fair and it has been reasonable. We have not been denied what we feel we have a reasonable right to expect the Centre to accept. At the same time, I am quite aware that the central concept of the constitution

4-30 p.m. should be maintained, that is, that the Constitution of India shall be a Union of States and not a Unitary State. That is a concept which everybody accepts, and no one is more zealous about it than the various State Governments. For purposes of industrial development and economic planning, it may become necessary in the short period to adjust various rights and duties between the two authorities, but the central concept will never be lost sight of. I want to assure the hon. the Leader of the Opposition that the Government are always fully alive to the position which he has mentioned in the debate.

Sir, we welcome his suggestion about the improvement of the 'Madras Information'. My colleague the Minister for Informations is here, and I am sure he will take the clue from the hon. the Leader of the Opposition and try to improve it.

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As far as the International House is concerned, both the publicity and the criticism are premature. Except that the Defence Ministry have leased a certain piece of land even as they have done already a piece of land to the Gymkhana Club, nothing else has been done. The Madras Government themselves have asked for information as regards the purposes and the structure or other buildings which are intended to be put up there. Therefore, the point raised by the esteemed Leader of the Opposition, whose interest in the preservation of open spaces and play-fields is very well known—not only known to us, but has been perpetuated in a legislation which I call the Mudaliar Act (laughter) . . . . (Interruption).

Mr. Chairman, may I now conclude with a fervent appeal to this House to examine the problems of administration with sympathy and understanding and help in building up a resplendent State of harmoney and prosperity? (cheers.)

Mr. Chairman, before I actually conclude, let me say this. It has been the usual practice in this House to request the Opposition to withdraw the amendments to the Motion of Thanks. On this occasion, I find myself in an embarrassment, because there are more than one amendment. I will make a general appeal that it is not usual in this House to press for any amendment but to pass the Motion of Thanks unanimously. I would request hon. Members to respect the convention and thereby enhance our own prestige. Thank you, Mr. Chairman. (Cheers.)

The amendments were, by leave, withdrawn.

MR. CHAIRMAN : The question is :

'That an humble Address be presented to the Governor that the Members of the Madras Legislative Council thank him for the Address delivered to the Members of the Legislature on the 23rd April 1962'.

The motion was put and carried unanimously.

VI.—GOVERNMENT BILL.

THE MADRAS SUGAR FACTORIES CONTROL (AMENDMENT) BILL, 1962 (L.A. BILL No. 1 OF 1962).

THE HON. SRI P. KAKKAN : Sir, I move—

"That the Madras Sugar Factories Control (Amendment) Bill,[a] 1962 (L.A. Bill No. 1 of 1962), as passed by the Assembly. be taken into consideration".

Under section 14 (1) of the Madras Sugar Factories Control Act, 1949, the levy of a cess, not exceeding annas four per standard maund, on sugarcane was authorised. At present a cess of Rs. 2 per ton is levied on sugarcane, brought into any factory in the State. In December 1960, the Supreme Court held that the Uttar

[a] Printed as Appendix on page 207.